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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000223

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SUBJECT: FEBRUARY 15 REFERENDUM - WINNERS AND LOSERS

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Classified By: POLITICAL COUNSELOR FRANCISCO FERNANDEZ,
FOR REASON 1.4(D)

11. (C) Summary: President Chavez and his United Socialist Party of Venezuela (PSUV) party are the big winners of the February 15 referendum in which almost 55% of Venezuelans voted to remove term limits for all elected officials. Chavez now can run for a third six-year term and currently faces no real viable opponent. The PSUV mobilized over a million more voters to the polls than the "No" campaign, despite the fact that the opposition mobilized their largest voter turnout in a decade. PSUV Mayor the Libertador borough of Caracas and "Yes" campaign manager Jorge Rodriguez basked in the "Yes" camp's electoral victory, and vindicated himself after managing the unsuccessful "Yes" campaign in the 2007 constitutional reform referendum. University student activists reasserted themselves as effective and energized campaign organizers. Perhaps the biggest losers are opposition political parties, who arrived late to the game with limited resources and no discernible strategy. In addition, Chavez's confirmation that he will run again in 2012 effectively undermines any potential succession by any other senior PSUV leader, such as Infrastructure Minister Diosdado Cabello. Despite his political momentum, Chavez still faces the considerable challenge of a very difficult economic scenario for 2009 and possibly beyond that may complicate his post-2012 plans. End Summary.

WINNERS

12. (C) President Chavez: Chavez is the biggest winner of the February 15 referendum in which almost 55% of Venezuelans voted to eliminate term limits for all elected officials. He now has what he failed to achieve in the constitutional referendum package that voters rejected just 14 months before -- a clear path to run for a third six-year term. Before and after the vote, Chavez confirmed that he is already a "pre-candidate" for the 2012 presidential election. Moreover, Chavez right now faces no real rival inside or outside his PSUV party. Venezuela's fractious opposition remains very much divided, and within opposition circles, there are already several possible presidential candidates trying to position themselves to be the consensus opposition presidential candidate in 2012, including 2006 consensus opposition presidential candidate and Maracaibo Mayor Manuel Rosales. None of the current potential opposition candidates approach Chavez's popularity and charisma.

13. (C) PSUV: Chavez's PSUV party also emerges a big winner. The PSUV demonstrated conclusively that it is an effective

electoral machine by mobilizing 6.3 million voters to the polls -- more than in any previous election in which the PSUV participated. The PSUV, and its small allied parties, garnered almost one million more votes than what the PSUV polled in the November 2008 state and local elections. Chavez successfully reframed the referendum as a contest over the continuation of his social programs ("missions"), warning government workers and beneficiaries that abstention was not an option. The high pro-government turnout suggests that the PSUV's combination of stark messaging and organized grassroots, get-out-the-vote "patrols" worked. The efficacy of the PSUV machine appears to contradict pundits' assessments that Chavista "Lites" who did not favor the removal of term limits -- but who still supported the Venezuelan president -- would simply stay home, as many of them did in 2007.

¶4. (C) Jorge Rodriguez: President Chavez warmly congratulated "Yes" campaign manager Jorge Rodriguez, who was by Chavez's side during the Venezuelan president's nationally-televised victory speech. Rodriguez is now poised to rise to the forefront of Chavismo as a two-time electoral winner. While several other key Chavista leaders -- including Jesse Chacon, Diosdado Cabello, and Aristobulo Izturiz -- failed to win seats in November 2008's state and local elections, Rodriguez won the mayorship of the Libertador borough of Caracas with 53 percent of the vote. Rodriguez may now reap the financial and political benefits of being the sole PSUV mayor among the opposition-dominated Caracas municipalities and a proven PSUV campaign strategist. The "Yes" win also helped erase Rodriguez's poor management of the "Yes" camp's unsuccessful 2007 effort to win passage of Chavez's proposed constitutional reform package.

¶5. (C) Students: University student activists once again
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proved their ability to organize an energetic, creative, and well-coordinated "No" campaign. Despite stepped-up pressure from the GBRV and frequent provocations by state security forces, the students generally demonstrated peacefully and provided the "No" camp with a credible and politically appealing voice. Students first took to the streets in 2007 to denounce the closure of opposition-oriented RCTV media outlet, and were widely credited with helping to defeat Chavez's first constitutional referendum to allow his re-election in December 2007. Although they were unable to overcome the efficiency of the PSUV machine, students were instrumental this election in leading a well-argued campaign and going door-to-door to get out the vote. Some 5.2 million Venezuelans voted "No" on February 15, compared to 4.5 million in 2007.

LOSERS

¶6. (C) Venezuelan Democracy: The elimination of presidential term limits effectively removes the last remaining check on Chavez's power and is a major blow to Venezuelan democracy. Chavez effectively controls all major state institutions, including the rubber-stamp National Assembly and Supreme Court, who have repeatedly proven themselves unwilling to curb even egregious abuses of presidential authority. Although Chavez undoubtedly will point to February 15 as a free and fair election -- and balloting on that day appears to have been -- his increasingly authoritarian stewardship of the country is now not even limited by time. Indeed, the removal of term limits violates the longstanding Venezuelan tradition of alternation of executive power, which dates back to the nation's independence. Even Venezuelan strongman Juan Vicente Gomez stepped down twice to rule by proxy during his reign from 1908 to 1935 so as to give a semblance of democratic alternation of power. Chavez is now free to continue "deepening" his Bolivarian revolution, and can turn his full

attention to manipulating state institutions with an eye to maintaining PSUV dominance in the upcoming local and National Assembly elections in 2009 and 2010, respectively. Chavez will still have to face reelection in 2012 and he may face serious economic problems in the nearterm offering some hope to opponents that they will have another chance to defeat him.

17. (C) Opposition Parties: Venezuela's opposition political parties once again succumbed to internal rivalries and electoral fatigue, coming to the "No" campaign well after the Christmas holiday season and with few resources. Their poor showing diminishes what political capital and esteem they gained following their electoral successes in November's state and local elections. While Chavez wasted no time in pressing his supporters to begin campaigning immediately after announcing his proposed amendment in December 2008, the opposition repeatedly complained of being broke and did not begin to mount a serious campaign until over a month later. With no clear leader or unifying strategy, it appeared that the parties were content to leave much of the "No" campaigning to the student activists. The parties' impotency highlights their failure to expand their base among poor Venezuelans or a strategy to build one. The opposition has not learned the main lesson of the past two elections, where they had record turn-out, but limited success - they can only win if they reach out beyond their traditional base and if partis put aside their differences and unite behind a single candidate.

18. (C) PSUV Presidential Aspirants: Senior PSUV leaders routinely stress their fealty to President Chavez and deny that they have any presidential aspirations of their own. Nevertheless, local pundits believe there are at least a handful of PSUV leaders around Chavez's age or older who would like to succeed Chavez. With the elimination of term limits, they are not likely to get that chance anytime soon. PSUV leaders who were unable to win or retain their seats in the November 2007 elections are especially facing limitations on their political advancement. For example, Diosdado Cabello, who lost his reelection bid for the Miranda State governorship in 2008, used to be widely considered a possible successor to Chavez. Moreover, there is likely to be less room for emerging PSUV leaders to advance as there will no longer be pressure to "rotate" new candidates in after the PSUV incumbents' terms have expired. Those PSUV officials who are currently in power are likely to focus on retaining their seats rather than making way for new faces.

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COMMENT

19. (C) President Chavez succeeded in removing the constitutional barrier to seeking indefinite reelection and further consolidating his power. His win also demonstrates that he can simply count on the numerical superiority of his supporters and does not need to attract votes outside his traditional base. His solid victory has reversed what appeared to be an electoral streak of losses in the 2007 referendum and 2008 state and local election and provided a fresh "mandate" or justification to accelerate his Bolivarian revolution. While the student movement and civil society proved their continued effectiveness in mobilizing voters, the opposition political parties right now offer little hope of being able to mount a serious challenge against Chavez in either the 2010 legislative elections or in 2012. In the immediate aftermath of the "No" camp's defeat, opposition leaders appear mired in complaining about the GBRV's electoral advantages rather than reconsidering how to attract voters from Chavez's large political base. Despite his new momentum and the availability of government resources to support his potential machine, Chavez will face economic challenges in 2009 and beyond that still make his indefinite rule far from a certainty. End Comment.

